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April 13, 2005

The Honorable J. Dennis Hastert  
United States House of Representatives  
Office of the Speaker  
U.S. Capitol, Room 4-232  
Washington, DC 20515

Dear Mr. Speaker:

I am writing to express the strong support of the Business Software Alliance (BSA)\* and its member companies for the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA), and to urge you to vote in favor of legislation implementing the Agreement.

BSA represents the world's leading developers of software, hardware, and e-commerce technologies. As one of the leading contributors to the U.S. balance of trade, U.S. information technology (IT) and software makers contributed a trade surplus of \$24.3 billion in 2002. As a leading engine of global economic growth, the industry contributed a trillion dollars to the global economy in 2002. In the U.S. alone, the IT industry contributed \$405 billion to the U.S. economy, creating 2.6 million jobs and generating \$342 billion in tax revenues in 2002.

Exports account for over 50 percent of revenues for most of the leading commercial software makers in the U.S., including the majority of BSA members. If we are to continue the positive contributions of this industry to the U.S. economy, it is critical that FTAs establish the highest standards of intellectual property protection. It is also critical that FTAs provide an open trading environment that promotes barrier free e-commerce and growth of the information technology services sector. The CAFTA accomplishes both objectives.

The six trading partners covered by the CAFTA constitute the second largest export market in Latin America (behind Mexico), and the sixth largest growth market for exports of American goods and services in the world. More importantly, the CAFTA fosters respect for the rule of law, a commitment to open markets, and protection of intellectual property in a region that just a short time ago was plagued by civil unrest. Today, the region is home to vibrant democracies, growing economies, and an expanding middle class.

The CAFTA, like the Australia and Singapore FTAs before it, reduces or eliminates barriers to trade in goods and services, requires open, transparent, and merit-based government procurement, and sets out one of

the highest standards of intellectual property (IP) protection and enforcement for copyrights yet achieved in a bilateral or multilateral agreement. These commitments will not only expand opportunities for American goods and services in the region but also reinforce high-level trade standards that the United States has pursued around the world.

With the increased growth of Internet usage worldwide, the promotion of barrier free cross border e-commerce is critical to encourage continued e-commerce growth and development. We are quickly moving to a world where online transmission is the predominant means by which software is obtained. Consequently, the trade treatment of software delivered electronically is one of the most important issues facing the software industry. It is essential that software delivered electronically receive the same benefits and concessions as software traded on a physical medium.

The E-commerce chapter in the CAFTA requires broad national treatment and nondiscriminatory treatment of "digital products" such as computer software. In addition, the parties agree not to impose customs duties on digital products. This provision is consistent with the WTO Moratorium on Customs Duties on Electronic Transmissions. The IT industry has supported the moratorium since its inception, and the inclusion of this provision is critical in further promoting the growth of cross border e-commerce.

The CAFTA is an important accomplishment in the Administration's strategy of trade liberalization and robust intellectual property protection. We commend this achievement, and strongly support Congressional approval of the agreement.

Sincerely,

A handwritten signature in black ink, reading "Robert W. Holleyman". The signature is fluid and cursive, with a large, sweeping initial "R" that extends to the left.

Robert W. Holleyman, II  
President and CEO

*\* The Business Software Alliance ([www.bsa.org](http://www.bsa.org)) is the foremost organization dedicated to promoting a safe and legal digital world. BSA is the voice of the world's commercial software industry and its hardware partners before governments and in the international marketplace. Its members represent one of the fastest growing industries in the world. BSA programs foster technology innovation through education and policy initiatives that promote copyright protection, cyber security, trade and e-commerce. BSA members include Adobe, Apple, Autodesk, Avid, Bentley Systems, Borland, Cadence Design Systems, Cisco Systems, CNC Software/Mastercam, Dell, Entrust, HP, IBM, Intel, Internet Security Systems, Macromedia, McAfee, Microsoft, PTC, RSA Security, SAP, SolidWorks, Sybase, Symantec, UGS and VERITAS Software.*